REMARKS

Claims 1-14 and 16-40 were previously under consideration. By virtue of this response, claims 5, 7-11, 15, 16, 18-20, 26-28, 30-31, 34-36, and 40 are cancelled, and claims 1, 3, 4, 12, 14, 17, 21, 22, 25, 29, 32, 33, and 37-39 are amended. Accordingly, claims 1-4, 6, 12-14, 17, 21-25, 29, 32, 33, and 37-39 are currently under consideration. Amendment of subject matter is not to be construed as an abandonment of any subject matter. No new matter is added by virtue of these amendments.

Claim Rejections Under 35 USC §101

Claims 1-7 are rejected under 35 U.S.C. 101 because they are allegedly not directed to a practical application. Claim 1 has been amended to include additional steps of the verification process shown in Figure 16 and described by associated text in the specification. Applicant asserts that amended Claim 1 is in compliance with 35 U.S.C. 101.

Claims 2-4 depend from claim 1 and are believed to be in compliance with 35 U.S.C. 101 for at least the same reasons as claim 1.

Claim 5 has been cancelled, so the rejection is moot.

Claim 6 depends from claim 1, and is believed to be in compliance with 35 U.S.C. 101 for at least the same reasons as claim 1.

Claim 7 has been cancelled, so the rejection is moot.

Claims 29 and 31-33 are rejected under 35 U.S.C. 101 because they are allegedly not directed to a practical application.

Applicant respectfully asserts that claims 29, 32, and 33, as amended, meet the requirements of 35 U.S.C. 101. Amended claims 29, 32, and 33 are directed to a practical application because they produce a tangible result, e.g., at least "verifying the code against the valid

codes to determine if it is valid, wherein if the code is valid, a predetermined number of points are added to the user account," as discussed below.

Claim 29 has been amended to include the following features:

submitting the code to a server that has valid codes, wherein the code is associated with N points maintained by the server in a user account, wherein each point, characterized as a purchase or attention incentive point, is redeemable; and

verifying the code against the valid codes to determine if it is valid, wherein if the code is valid, a predetermined number of points are added to the user account.

Claim 31 has been cancelled, so the rejection is moot.

Regarding claim 32, the base claim 29 has been amended to include the features listed above with respect to claim 29, and Applicant believes that claim 32 satisfies the requirements of 35 U.S.C. 101 for at least the same reasons as stated above for claim 29.

Regarding claim 33, the features listed above with respect to claim 29 have also been added by amendment to claim 33, and Applicant believes that claim 33 satisfies the requirements of 35 U.S.C. 101 for at least the same reasons as stated above for claim 29.

Claim Rejections Under 35 USC §112

Claims 1-7, 29, 31-37 are rejected under 35 U.S.C. 112, second paragraph, as allegedly being incomplete for omitting essential steps.

Claim 1 has been amended to include additional steps of the verification process shown in Figure 16 and described by associated text in the specification. Applicant asserts that amended Claim 1 is in compliance with 35 U.S.C. 112, second paragraph.

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Claims 2-4 depend from claim 1 and are believed to be in compliance with 35 U.S.C. 112, second paragraph for at least the same reasons as claim 1.

Claim 5 has been cancelled, so the rejection is moot.

Claim 6 depends from claim 1, and is believed to be in compliance with 35 U.S.C. 112, second paragraph for at least the same reasons as claim 1.

Claim 7 has been cancelled, so the rejection is moot.

Claim 31 has been cancelled, so the rejection is moot.

Regarding claim 32, the base claim 29 has been amended to include the following features, which were originally included in claim 30:

submitting the code to a server that has valid codes, wherein the code is associated with N points maintained by the server in a user account, wherein each point, characterized as a purchase or attention incentive point, is redeemable; and

verifying the code against the valid codes to determine if it is valid, wherein if the code is valid, a predetermined number of points are added to the user account.

Applicant believes that amended claim 29 meets the requirements of 35 U.S.C. 112, second paragraph.

Regarding claim 33, the features of "submitting the code ..." and "verifying the code ..." described above with respect to claims 32 and 29 have also been added claim 33.

Regarding claim 37, claim 37 has been rewritten to overcome the rejection(s) under 35 U.S.C.112, second paragraph (as described above), and to include the features of the base claim as indicated in Examiner's statement of Allowable Subject Matter. Claim 37 is therefore believed to be in condition for allowance.

Claim Rejections Under 35 USC §102

Claim 17 is rejected under 35 U.S.C. 102(e) as allegedly being anticipated by Leason et al. (6,251,017).

Claim 17 has been amended to recite

"[T]he verifying proceeding by converting a base L string to produce a third string, decrypting the third string using a second secret key to obtain a second string, the second string comprising an m-bit validation number and an n-bit number, applying a one-way hash function to the n-bit number with a first secret key to produce a hash output, and comparing an m-bit portion of the hash output to the m-bit validation code to determine if the code is valid."

Amended claim 17 further recites "wherein m is at least 16."

Leason et al. does not disclose the features of amended claim 17, such as the use of encryption and a hash function in an offline-online points system that includes a main server and a code server as claimed. Furthermore, claim 17 has been amended to recite "wherein m is at least 16," which is not disclosed or suggested by Leason. Moreover, as discussed below with respect to claim 1, the applied references of Beach and Schneier fail to disclose or suggest such as feature. Therefore, Leason does not disclose or suggest the features of claim 17, and Applicant respectfully asserts that claim 17 is patentable over Leason.

Claim Rejections Under 35 USC §103

Claims 1, 5-7, and 34 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable by Beach et al. (5,892,827) in view of Schneier ("Applied Cryptography").

Claim 1 has been amended to recite "wherein m is at least 16 bits." Applicant respectfully asserts that Beach in view of Schneier does not disclose all features of claim 1. Beach

fails to disclose the use of a hash function to generate the m-bit validation number. Beach discloses the use of a digit to check the PIN: "This code includes a 5-digit location number, a 4-digit PIN number, and a check digit. . . . The check digit can be computed in a variety of ways, such as by adding all the other digits together and then ignoring all but the last digit of the result."(Beach, col. 7, lines 5-14). However, Beach does not disclose the use of a validation number greater than one digit. Since a numeric digit is generally represented by a 4 or 8 bit quantity, Applicant asserts that Beach does not disclose the use of a validation number greater than 8 bits in length. Beach's disclosure, which describes only a single check digit, may even discourage a programmer of ordinary skill from thinking of the use of a larger, multi-digit value of size $m \geq 16$ bits, such as a cryptographic hash code.

Schneier is silent as to the length of the hash value, and does not disclose a hash value of size $m \geq 16$ bits. Because neither Beach nor Schneier discloses the use of an $m \geq 16$ bit hash value as disclosed in claim 1, Applicant respectfully asserts that claim 1 is patentable over Beach and Schneier.

Claims 2 and 10-11 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable by Beach et al. (5,892,827) in view of Schneier as applied to claim 1 above, and further in view of "FIPS PUB 46-3- Date Encryption Standard (DES)" (hereinafter "FIPS 46-3").

Claim 2 depends from claim 1, and Applicant respectfully asserts that claim 2 is patentable over the cited references for at least the same reason as claim 1.

Claims 10-11 have been cancelled, so the rejection is moot.

Claim 4 is rejected under 35 U.S.C. 103(a) as allegedly being unpatentable by Beach et al. (5,892,827) in view of Schneier as applied to claim 1 above, and further in view of Krawczyk et al., "RFC 2104- HMAC: Keyed-Hashing for Message Authentication".

Claim 4 depends from claim 1, and Applicant respectfully asserts that claim 4 is patentable over the cited references for at least the same reason as claim 1.

Claims 35-36 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable by Beach et al. (5,892,827) in view of Schneier as applied to claim 34 above, and further in view of "FIPS 46-3" and Krawczyk.

Clamis 35-36 have been cancelled, so the rejection is moot.

Claims 8, 12, 18-20, 29-32 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Leason in view of Beach.

Claim 8 has been cancelled, so the rejection is moot.

Claim 12 has been amended to recite "wherein m is at least 16." Applicant respectfully asserts that claim 34 is patentable for similar reasons as claim 1, as described above.

Claims 18-20 have been cancelled, so the rejection is moot.

Claim 29 has been amended to recite "wherein the validation portion is at least 16 bits long." Applicant respectfully asserts that claim 29 is patentable for similar reasons as claim 1, as described above.

Claims 30-31 have been cancelled, so the rejection is moot.

Regarding claim 32, claim 32 depends from claim 29, and Applicant respectfully asserts that claim 32 is patentable over the references for at least the same reasons as claim 29.

Claims 9, 13-14, 16, 22 and 38 are rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Leason in view of Beach as applied to claims 8, 12 and 30 above, and further in view of Schneier and "FIPS 46-3".

Claim 9 has been cancelled, so the rejection is moot.

Claim 13 depends from claim 12. Applicant respectfully asserts that claim 13 is patentable for similar reasons as claim 12, as described above.

Claim 14 has been amended to recite "n=32 and m is at least 16." Applicant respectfully submits that claim 14 is patentable over the cited references.

Claim 16 has been cancelled, so the rejection is moot.

Claim 22 has been amended to recite "wherein S3 is at least 16 bits long." S3 is the string produced by the hash function. Therefore, Applicant respectfully asserts that claim 22 is patentable for similar reasons as claim 1, as described above.

Claim 38 has been amended to recite "wherein S3' is at least 16 bits long." Applicant respectfully asserts that claim 38 is patentable for similar reasons as claim 1, as described above.

Claims 23-24 and 39-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Leason, Beach, Schneier and "FIPS 46-3" as applied to claim 22 above, and further in view of Krawczyk.

Claim 23-24 depend from amended claim 22, and are believed to be patentable for at least the same reasons as claim 22.

Claim 39 has been amended to recite "S1' is 48-bits long and the number portion is 32-bits long." Applicant respectfully asserts that claim 39 is patentable for at least the same reasons as claim 38.

Claim 40 has been cancelled, so the rejection is moot.

Claim 26 is rejected under 35 U.S.C. 103(a) as being unpatentable over Leason as applied to claim 17 as above, and further in view of Beach and Schneier.

Claim 26 has been cancelled, so the rejection is moot.

Claims 27-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Leason in view of Beach and Schneier as applied to claim 26 above, and further in view of "FIPS 46-3" and Krawczyk.

Claims 27-28 have been cancelled, so the rejection is moot.

Examiner's Statement of Allowable Subject Matter

Claim 3 has been rewritten to include the features of claim 1, except for the feature L=29, which is omitted because it is not listed in the Examiner's reasons for allowance on page 18 of the Office Action of May 11, 2007. Applicant asserts that the rejections under 35 U.S.C. 101 and 112 have been overcome. Claim 3 is therefore believed to be in condition for allowance.

Claim 33 has been rewritten to include the features of claim 29. Claim 33 is believed to be in condition for allowance because the rejections under 35 U.S.C. 101 and 112 have been overcome.

Claims 21 and 25 have been rewritten in independent form including all of the features of the base claim(s) and are therefore believed to be in condition for allowance.

Claim 37 has been rewritten to overcome the rejection(s) under 35 U.S.C.112, second paragraph (as described above), and to include the features of the base claim. Claim 37 is therefore believed to be in condition for allowance.

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CONCLUSION

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 324212003110. However, the Commissioner is not authorized to charge the cost of the issue fee to the Deposit Account.

Dated: September 7, 2007   Respectfully submitted,

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